
STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

Premiums Imposed on Families Receiving Extended Benefits
During a Second Six-Month Period

- A. The following method is used to determine the premium imposed during each premium payment period on families receiving extended benefits (Transitional Medicaid or TMA) during the second six-month period under section 1902(a)(52) and section 1925 of the Act:

The premium amount for months seven through twelve is \$30 per family per month for families who remain eligible for TMA. We calculated this premium amount by taking three percent of the 100 percent federal poverty level (FPL) guideline for a family of two in 2003 and rounding down to the nearest whole dollar.

1. If a family pays the premium as a quarterly or semi-annual payment, they will get a ten percent discount.
2. The premium will never exceed three percent of the family's average gross monthly earnings, less the average monthly cost of child care that is necessary for the employment of the caretaker relative.
3. A family is exempt from the premium requirement if average gross monthly earnings less work-related child care is equal to or less than 100 percent FPL for the family size.

- B. A description of the billing method used is as follows (include due date for premium payment and notification of the consequences of nonpayment):

1. Bills are issued on the 7th working day before the end of each month, with payment due the fifth of the next month.
2. Payments must be made in advance, by the fifth of the month for the following month.
3. Families who do not pay by the fifth of the month are sent a reminder that premium payments are past due.
4. If the family fails to make the second monthly premium payment, medical coverage stops at the end of the second month for which the family has not paid the premium.

Premiums Imposed on Families Receiving Extended Benefits
During a Second Six-Month Period (continued)

5. All bills and reminder notices inform families that they will lose their health care benefits if premiums are not paid.
 6. The department will do the following before stopping benefits due to premium non-payment:
 - a. Give notice of the past due premiums;
 - b. Provide an opportunity to pay past due premiums; and
 - c. Give families an opportunity to prove that income has decreased and the family should be exempt from premium payment.
 7. If TMA is discontinued due to non-payment and the recipients are eligible for benefits in another Medicaid or SCHIP group, their coverage will be automatically continued in the appropriate category.
- A. The criteria for determining good cause for failure to pay such premium on a timely basis are described below.

Reasons for good cause include:

1. An immediate family member living in the home was institutionalized or died during the payment month;
2. The family was victim of a natural disaster including flood, storm, earthquake, or serious fire;
3. The specified relative was out of town for the payment month; or
4. The family moved and reported the move timely, but the move resulted in:
 - a. A delay in receiving the billing notice; or
 - b. Failure to receive the billing notice.